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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
Case No. 1:16-CV-05439-JPO

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GLEN CRAIG,

Plaintiff,

vs.

UNIVERSAL MUSIC GROUP, INC.,
KINGSID VENTURES, LTD., and ESTATE
OF RILEY B. KING,

Defendants.

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TELEPHONIC DEPOSITION OF CAROLINE FRILOT
New York, New York
April 4, 2017

Reported by:

Linda Salzman, RPR

Job No. 18493

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<p>1 2 3 April 4, 2017 4 12:49 p.m. 5 6 Telephonic Deposition of 7 CAROLINE FRILOT, the witness herein, 8 held at the offices of Universal 9 Music Group, 1755 Broadway, New 10 York, New York, pursuant to Notice, 11 before Linda Salzman, a Notary 12 Public of the State of New York. 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p>1 2 3 STIPULATIONS 4 IT IS HEREBY STIPULATED AND 5 AGREED by and among counsel for the 6 respective parties hereto, that the 7 sealing and certification of the 8 within deposition shall be and the 9 same are hereby waived; 10 IT IS FURTHER STIPULATED AND 11 AGREED all objections, except as to 12 the form of the question, shall be 13 reserved to the time of the trial; 14 IT IS FURTHER STIPULATED AND 15 AGREED that the within deposition may 16 be signed before any Notary Public 17 with the same force and effect as if 18 signed and sworn to before the Court. 19 20 21 22 23 24 25</p>
Page 3	Page 5
<p>1 2 APPEARANCES: 3 4 On Behalf of Plaintiff: 5 LIEBOWITZ LAW FIRM, PLLC 6 11 Sunrise Plaza, Suite 305 7 Valley Stream, New York 11580 8 (516) 233-1660 9 BY: KATE TSYVKIN, ESQ. 10 kt@liebowitzlawfirm.com 11 RICHARD LIEBOWITZ, ESQ. 12 rl@liebowitzlawfirm.com 13 14 On Behalf of Defendants: 15 LOEB & LOEB LLP 16 345 Park Avenue 17 New York, New York 10154 18 (212) 407-4953 19 BY: BARRY L. SLOTNICK, ESQ. 20 bsloznick@loeb.com 21 22 Also Present: 23 CARLA MILLER, ESQ. 24 Universal Music Group 25</p>	<p>1 2 CAROLINE FRILOT, 3 called as a witness, having been duly 4 sworn by a Notary Public, was examined 5 and testified as follows: 6 EXAMINATION BY 7 MS. TSYVKIN: 8 Q. Good morning, Ms. Frilot. Thank 9 you so much for making time for us today. 10 My name is Kate Tsyvkin. I'm an attorney 11 for the plaintiff in this case, Glen 12 Craig. 13 How are you doing this morning? 14 A. Good. How are you? 15 Q. Good. 16 I'm going to get started with a 17 few ground rules. Just to remind you, I'm 18 going to be asking you a bunch of 19 questions about this case and sort of the 20 your company in general, and you can 21 answer these questions to the best of your 22 ability. 23 If you don't understand my 24 question, you can ask me to rephrase it. 25 If you don't remember something or don't</p>

2 (Pages 2 to 5)

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1 C. Frilot
 2 know the answer, just let me know. Just
 3 answer to the best ability that you can.
 4 If there's a pending question,
 5 you have to answer that question. But if
 6 you need a break, you can let me know that
 7 you need a break after you finished
 8 answering a question and we can take
 9 breaks.
 10 Do you understand these
 11 instructions?
 12 A. Yes.
 13 Q. And because there's
 14 videoconferencing, there will be some lag
 15 time. I'm going to give you some time for
 16 you to finish your thought and then you
 17 will give me some time to finish my
 18 question so the court reporter can
 19 accurately depict our conversation.
 20 Is that clear?
 21 A. Yes.
 22 Q. Great. Okay. How did you
 23 prepare for the deposition today?
 24 A. I did meet with my attorneys.
 25 And my staff.

1 C. Frilot
 2 royalty division for Universal.
 3 Q. Can you list some of these
 4 functions?
 5 A. Processing digital sales into
 6 the royalty system. Special markets.
 7 Litigation support. Neighboring rights
 8 and sound exchange. And -- I don't know,
 9 and royalty accounting.
 10 Q. Do you have other
 11 responsibilities?
 12 A. What do you mean by that?
 13 Q. I mean that you've just listed
 14 several things that you do. Are there
 15 other things that you do at Universal as
 16 well?
 17 A. Could be special projects.
 18 Q. And what kind of special
 19 projects?
 20 A. Could be anything that's
 21 whatever the company needs. At that time.
 22 Anything royalty-related typically.
 23 Q. And what is your official title
 24 there?
 25 A. I thought I already answered

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1 C. Frilot
 2 Q. You met with your attorneys at
 3 Universal?
 4 A. Yes.
 5 Q. Who did you meet with?
 6 A. With Carla, with Bear and with
 7 Carla's staff.
 8 Q. Okay. And how many times did
 9 you meet with them?
 10 A. Once.
 11 Q. And how long was the meeting?
 12 A. Approximately an hour.
 13 Q. Have you ever been deposed
 14 before?
 15 A. Yes.
 16 Q. How many times?
 17 A. Once, but not for Universal.
 18 Q. Oh, for another case?
 19 A. Yes.
 20 Q. And what is your current
 21 position at Universal?
 22 A. Vice president royalty
 23 operations for artist and copyright.
 24 Q. What does that entail?
 25 A. Numerous functions under the

1 C. Frilot
 2 that. Vice-president royalty operations.
 3 Q. Okay.
 4 A. Artist and copyright.
 5 Q. Thank you.
 6 Pertaining to the copyright part
 7 of your title, what kind of function do
 8 you have at Universal?
 9 A. For a copyright, because some of
 10 the functions that we do for litigation
 11 support or for royalty accounting, it
 12 crosses both artist and copyright.
 13 Q. Would you say that you're
 14 familiar with copyright law?
 15 A. Not necessarily familiar with
 16 copyright law.
 17 Q. But as it pertains to artists,
 18 for example, to the extent that you
 19 encounter copyright in your work?
 20 MR. SLOTNICK: Objection as to
 21 form.
 22 You can answer.
 23 A. As it pertains to my work for
 24 royalty accounting, yes. And for
 25 litigation support, yes.

3 (Pages 6 to 9)

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<p>1 C. Frilot</p> <p>2 Q. And in your role as litigation</p> <p>3 support, what kind of responsibilities do</p> <p>4 you have?</p> <p>5 A. We gather documents for cases</p> <p>6 such as revenues, royalty expenses.</p> <p>7 Q. Do you have specific knowledge</p> <p>8 about the case that is pending before us</p> <p>9 today about Mr. Craig's case against</p> <p>10 Universal Music?</p> <p>11 A. Just general overview based on</p> <p>12 our discussions with the attorneys.</p> <p>13 Q. Have you reviewed any documents</p> <p>14 in preparation?</p> <p>15 A. I did look at some of the</p> <p>16 documents that we submitted to our</p> <p>17 attorneys.</p> <p>18 Q. Can you generally describe the</p> <p>19 documents that you submitted to your</p> <p>20 attorneys in preparation for this</p> <p>21 deposition?</p> <p>22 A. There were my staff prepared</p> <p>23 domestic revenues as well as foreign</p> <p>24 revenues and some royalty statements.</p> <p>25 Q. Do you have any information</p>	<p>1 C. Frilot</p> <p>2 rights that we secure. But it's typically</p> <p>3 just contractual based.</p> <p>4 Q. Can you explain that a little</p> <p>5 more?</p> <p>6 A. Well, for royalty we get the</p> <p>7 contracts related to masters, audio</p> <p>8 masters as well as video masters, and the</p> <p>9 rights are generally contained in the</p> <p>10 contractual language.</p> <p>11 Q. So am I to understand you're</p> <p>12 talking about when the artist, for</p> <p>13 example, makes an album, there will be</p> <p>14 rights addressed in the contract between</p> <p>15 Universal and that artist, and that's what</p> <p>16 you're talking about, right, the</p> <p>17 contractual language addressing those</p> <p>18 rights?</p> <p>19 A. Yes, that's correct.</p> <p>20 Q. Do you come across similar</p> <p>21 contracts or similar agreements for</p> <p>22 non-audio or non-recordings, but for the</p> <p>23 actual media that's being used in</p> <p>24 conjunction with those recordings?</p> <p>25 A. Typically, no. There have been</p>
Page 11	Page 13
<p>1 C. Frilot</p> <p>2 about how Universal goes about securing</p> <p>3 copyrights to photographs they use, say,</p> <p>4 on album covers?</p> <p>5 A. No.</p> <p>6 Q. Just to make sure that I</p> <p>7 understand, so you don't know how is it</p> <p>8 that Universal decides which photographs</p> <p>9 are going to be on the cover of a CD, the</p> <p>10 process behind that?</p> <p>11 A. That's correct.</p> <p>12 Q. Do you have any information</p> <p>13 about how Universal decides what</p> <p>14 photographs are placed in liner notes?</p> <p>15 A. No.</p> <p>16 Q. Do you have any information</p> <p>17 regarding how Universal secures rights in</p> <p>18 general, just rights to anything</p> <p>19 pertaining to securing of rights by</p> <p>20 Universal? Do you have any information</p> <p>21 about that?</p> <p>22 MR. SLOTNICK: Objection as to</p> <p>23 form.</p> <p>24 You can answer.</p> <p>25 A. We get contracts related to the</p>	<p>1 C. Frilot</p> <p>2 some contracts that I have reviewed in</p> <p>3 connection with making of videos for a</p> <p>4 performance. Music videos as well as live</p> <p>5 videos.</p> <p>6 Q. Do you know what department at</p> <p>7 Universal would know how photographs are</p> <p>8 selected to be on the cover of albums?</p> <p>9 A. I don't know specifically the</p> <p>10 department.</p> <p>11 Q. Is there a more general</p> <p>12 department that addresses securing of</p> <p>13 rights?</p> <p>14 A. Can you elaborate in your</p> <p>15 question?</p> <p>16 Q. Here, specifically Universal is</p> <p>17 a content creator and the producer and</p> <p>18 also someone who distributes content. So</p> <p>19 my presumption is that there's a</p> <p>20 department or some sort of an office that</p> <p>21 specifically addresses intellectual</p> <p>22 property rights or other kind of rights</p> <p>23 that go along with producing content,</p> <p>24 making content, distributing content?</p> <p>25 MR. SLOTNICK: Objection as to</p>

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<p>1 C. Frilot</p> <p>2 form. Assumes facts not in evidence,</p> <p>3 but if you can answer, go ahead.</p> <p>4 BY MS. TSYVKIN:</p> <p>5 Q. You can answer.</p> <p>6 A. There are multiple departments.</p> <p>7 I don't know exactly which department that</p> <p>8 would be part of that purview. I don't</p> <p>9 know for sure which department would be</p> <p>10 responsible for what you're seeking.</p> <p>11 Q. Is it fair to say that you can</p> <p>12 testify today mostly about the revenue,</p> <p>13 the royalties, the revenue that the B.B.</p> <p>14 King CDs and LPs in question have made,</p> <p>15 right, the revenue?</p> <p>16 A. Correct.</p> <p>17 Q. Before your current position,</p> <p>18 were you in another position with</p> <p>19 Universal?</p> <p>20 A. Yes.</p> <p>21 Q. And what was that position?</p> <p>22 A. I've had a number of positions</p> <p>23 with Universal. I was controller for</p> <p>24 Universal Publishing, assistant</p> <p>25 comptroller for Universal Publishing, and</p>	<p>1 C. Frilot</p> <p>2 A. I don't know the exact current</p> <p>3 limits, but I am familiar with the</p> <p>4 retention, that we have a retention</p> <p>5 policy.</p> <p>6 Q. Can you sort of tell us what</p> <p>7 that policy is?</p> <p>8 A. Depending upon what type of</p> <p>9 documents are being stored, there are</p> <p>10 limits as to when the documents can be</p> <p>11 destroyed.</p> <p>12 Q. So let's start with physical</p> <p>13 documents, just paper documents, do you</p> <p>14 know specifically about the limit of how</p> <p>15 long they're kept?</p> <p>16 A. I don't know the current limits.</p> <p>17 Q. Is there a document that you</p> <p>18 would consult?</p> <p>19 A. I would ask someone in my</p> <p>20 department to obtain it, yes.</p> <p>21 Q. Do you happen to know what</p> <p>22 happens to the paper after that limit has</p> <p>23 passed? Is it destroyed, for example, or</p> <p>24 is it just, you know, it goes somewhere</p> <p>25 and it's kept in archives?</p>
Page 15	Page 17
<p>1 C. Frilot</p> <p>2 then a manager for Universal Publishing.</p> <p>3 I've also been a manager for artist</p> <p>4 royalties, as well as royalty analyst.</p> <p>5 Q. Can we sort of go backwards, and</p> <p>6 the previous position that you held, the</p> <p>7 controller position, can you explain a</p> <p>8 little bit about your responsibilities in</p> <p>9 that position?</p> <p>10 A. I was responsible for preparing</p> <p>11 and consolidating the financial statements</p> <p>12 for Universal Music Publishing.</p> <p>13 Q. Would you say that that role</p> <p>14 prepared you for your current role?</p> <p>15 MR. SLOTNICK: Objection as to</p> <p>16 form.</p> <p>17 Answer.</p> <p>18 A. It definitely helped my current</p> <p>19 role.</p> <p>20 Q. How so?</p> <p>21 A. Having a general overview of the</p> <p>22 financial reporting for our organization.</p> <p>23 Q. So are you familiar with</p> <p>24 Universal Music's document retention</p> <p>25 policy?</p>	<p>1 C. Frilot</p> <p>2 A. It depends on the type of paper</p> <p>3 that's being stored.</p> <p>4 Q. Can you elaborate on that?</p> <p>5 A. Like, for instance, contracts</p> <p>6 are typically kept indefinitely in</p> <p>7 perpetuity whereas paper documents that</p> <p>8 are just miscellaneous correspondence or</p> <p>9 miscellaneous financial records can be</p> <p>10 destroyed after a number of years.</p> <p>11 Q. And you know they are destroyed</p> <p>12 as opposed to just being shipped</p> <p>13 somewhere?</p> <p>14 A. Yes. Because of the cost of</p> <p>15 physically storing materials, they get</p> <p>16 destroyed.</p> <p>17 Q. What about electronic records?</p> <p>18 A. It depends, again. Typically</p> <p>19 electronic records, again, because of cost</p> <p>20 of storage, even with electronic</p> <p>21 documents, there are limits to how much</p> <p>22 the documents can be stored on a personal</p> <p>23 computer.</p> <p>24 Q. Okay. And when those limits are</p> <p>25 exceeded, is it that the documents no</p>

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<p style="text-align: right;">Page 18</p> <p>1 C. Frilot</p> <p>2 longer become searchable or are they then</p> <p>3 erased, the electronic equivalent of</p> <p>4 destroyed basically?</p> <p>5 A. Depending on the document,</p> <p>6 people can delete their files in order to</p> <p>7 make room for new documents.</p> <p>8 Q. So would you be able to tell us</p> <p>9 about Universal's exploitation of the</p> <p>10 photographs that are involved in this</p> <p>11 case? Do you have specific knowledge as</p> <p>12 to that?</p> <p>13 MR. SLOTNICK: Objection as to</p> <p>14 form.</p> <p>15 A. Not specific knowledge.</p> <p>16 Q. Would you be able to tell us</p> <p>17 whether Universal used these particular</p> <p>18 three photographs that are at the center</p> <p>19 of this case? Would you be able to tell</p> <p>20 us where they used it, for example, an</p> <p>21 exhaustive list of how Universal used and</p> <p>22 exploited these photographs?</p> <p>23 MR. SLOTNICK: Objection as to</p> <p>24 form. Compound question.</p> <p>25 But if you can answer, go ahead.</p>	<p style="text-align: right;">Page 20</p> <p>1 C. Frilot</p> <p>2 much money a CD, for example, makes?</p> <p>3 MR. SLOTNICK: Objection as to</p> <p>4 form.</p> <p>5 Go ahead. You can answer.</p> <p>6 A. Typically, it would have to</p> <p>7 determine what the revenues are and all</p> <p>8 expenses related to that CD before you can</p> <p>9 determine how much money or profit that CD</p> <p>10 has made.</p> <p>11 Q. Let's go step-by-step. Let's go</p> <p>12 through the first step of assessing how</p> <p>13 much money it has made.</p> <p>14 Can you tell us how Universal</p> <p>15 calculates how much money a CD has made?</p> <p>16 A. You'd have to first obtain the</p> <p>17 revenues. You'd have to determine what</p> <p>18 the royalty expenses are related to that</p> <p>19 CD. You'd have to determine whether the</p> <p>20 manufacturing costs were related to that</p> <p>21 CD. You'd have to also determine what</p> <p>22 recording costs were attributable to that</p> <p>23 CD.</p> <p>24 You'd have to know what the</p> <p>25 distribution fees were related to the CD.</p>
<p style="text-align: right;">Page 19</p> <p>1 C. Frilot</p> <p>2 A. No, not specifically.</p> <p>3 Q. Would you be able to answer how</p> <p>4 Universal obtained these photographs?</p> <p>5 A. No.</p> <p>6 Q. Would you be able to answer</p> <p>7 anything that is outside of how much money</p> <p>8 the exploitation has brought to Universal?</p> <p>9 Anything outside of that?</p> <p>10 A. Related to?</p> <p>11 Q. To these particular photographs?</p> <p>12 A. No, not necessarily.</p> <p>13 Q. Do you know which department or</p> <p>14 which office underneath the Universal</p> <p>15 Corporation would be able to answer</p> <p>16 questions as to how Universal obtained a</p> <p>17 photograph, a photograph, in general,</p> <p>18 photographs to be used on CDs, for</p> <p>19 example?</p> <p>20 A. Someone in the creative</p> <p>21 department.</p> <p>22 Q. Let's talk about the process of</p> <p>23 how CDs and LPs and other content sort of</p> <p>24 makes money for Universal. Can you</p> <p>25 explain sort of how one calculates how</p>	<p style="text-align: right;">Page 21</p> <p>1 C. Frilot</p> <p>2 You'd also have to know how much overhead</p> <p>3 was allocated to the manufacturing and</p> <p>4 distribution of that CD. You would also</p> <p>5 have to determine if there was union costs</p> <p>6 as well.</p> <p>7 Q. Can you elaborate on any one of</p> <p>8 these? You gave me a list of things just</p> <p>9 now. Let's go through one. The first,</p> <p>10 what was it that you said, you called it</p> <p>11 remedies?</p> <p>12 A. Revenues.</p> <p>13 Q. Revenues. That makes more</p> <p>14 sense.</p> <p>15 So how would you calculate that?</p> <p>16 A. You would have to determine when</p> <p>17 the product was first released and we</p> <p>18 would have to look at all sources of</p> <p>19 revenue including if there were -- for</p> <p>20 that CD, we would have to determine --</p> <p>21 we're talking a physical product. We'd</p> <p>22 have to determine what the revenues</p> <p>23 associated to that physical product was</p> <p>24 for a specific time period.</p> <p>25 Q. Does that take into account sort</p>

6 (Pages 18 to 21)

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1 C. Frilot
 2 of the selling of the CD by Universal
 3 only, or your distributors and vendors as
 4 well?
 5 A. It would depend on what we were
 6 trying to accomplish, but yes.
 7 Q. So it would include both?
 8 A. Yes.
 9 Q. Are those two categories --
 10 A. What we sold, what Universal
 11 would have sold.
 12 Q. So you count what Universal has
 13 sold, even if it's to say like a Barnes &
 14 Noble, for example?
 15 A. Yes.
 16 Q. So at a point at which you sell
 17 the CD to a Barnes & Noble, you write down
 18 that's a sale?
 19 A. Correct.
 20 Q. When Barnes & Noble sells that
 21 CD what happens with that, anything
 22 happens or it just depends on the contract
 23 that exists between you and the
 24 distributor?
 25 MR. SLOTNICK: Objection as to

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1 C. Frilot
 2 A. Yes.
 3 Q. Can you elaborate then for us
 4 what would be the structure of that
 5 transaction?
 6 A. It depends, but for Spotify, if
 7 they're streaming it to the customer,
 8 final customer, we would continue to get
 9 revenues associated with each of those
 10 streams.
 11 Q. Something like Amazon, if they
 12 have like a digital copy of a CD, would
 13 you get some sort of revenue downstream?
 14 A. It depends on the exploitation.
 15 Q. What kind of documents are
 16 generated when you are looking into
 17 revenue, what kind of documents are
 18 available that show revenue?
 19 A. We typically use our data
 20 warehouse to obtain the revenues.
 21 Q. Are there specific documents
 22 that are generated by your warehouse? How
 23 do you track the revenue basically?
 24 A. In this day and age, most of it
 25 is electronic.

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1 C. Frilot
 2 form, but you can answer.
 3 A. Correct. They can return the
 4 CDs as well if they do not sell it. But
 5 we don't have necessarily how they
 6 distribute it directly. We don't
 7 necessarily have that information.
 8 Q. So you're saying once you kind
 9 of sell it to a distributor, they can
 10 return it, but you don't continue to make
 11 money off of it once they sell it?
 12 A. Correct.
 13 Q. So the chain ends at the first
 14 sale, that's what you're saying?
 15 A. Correct. In the example that
 16 you provided, correct.
 17 Q. Would there be an example where
 18 that's not the case?
 19 A. Not for physical necessarily.
 20 But for digital, there would be.
 21 Q. Right, because it's a digital
 22 thing, so you would get royalties for that
 23 of some sorts?
 24 MR. SLOTNICK: Objection as to
 25 the characterization.

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1 C. Frilot
 2 Q. Is there a program that you use?
 3 A. Yes.
 4 Q. Do you print reports from this
 5 program?
 6 A. We run queries and we can print
 7 reports.
 8 Q. So, for example, when Universal
 9 decides to make an album, do you know how
 10 they make a decision to make subsequent
 11 albums?
 12 MR. SLOTNICK: Objection as to
 13 form.
 14 A. No.
 15 Q. Do other departments ever ask
 16 for revenue documents from you?
 17 A. Yes.
 18 Q. So which departments ask for
 19 revenue?
 20 A. Legal can ask for revenues.
 21 Labels can ask for revenues. Management,
 22 executive management can ask for revenues.
 23 A number of departments can ask.
 24 Q. And what do you typically give
 25 them?

7 (Pages 22 to 25)

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C. Frilot

MR. SLOTNICK: Objection as to form.

A. It depends on what they're asking, you know, what their objective is.

Q. So can you give me an example of the kind of query that they would come to you with, would they give you specific parameters, for example, like I need how much this particular CD made in this period of time in these locations? Can you give an example?

A. For a litigation or for what? I guess litigation, they would say court case for this period from period A to period B, please pull us the revenues related to this album for that period.

Q. What if they were considering whether this is a profitable artist or not and whether to print more of CDs, just reconsidering what they're going to do with an artist, for example?

A. Yes. They can ask us for anything related to that album or that artist.

C. Frilot

Q. And you would go to your database and you would enter the relevant query and you would just -- is it just a simple interface where you just put in the name, the time period, the location and then something comes out?

A. It's not that simple, but yes, we can query based on album titles, artist, and then we would also do the same for our foreign sales.

Q. Is there a way to search for album covers, is that one of the fields you can search?

A. Not in our financial system.

Q. If someone wanted to know how many times was a particular photograph used on an album cover, how would one use the system that you're familiar with to find that out?

A. Not the way I'm aware of to do it by financial cover or by album cover.

Q. Are there other systems you're aware of that one might be able to search for that?

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C. Frilot

Q. Can you be more specific about what they did for, what documents they ask for?

MR. SLOTNICK: Objection. Calls for speculation.

THE WITNESS: Do I answer?
BY MS. TSYVKIN:

Q. You can answer.

MR. SLOTNICK: You can answer if you understand the question without speculating.

A. Can you rephrase your question?

Q. When somebody from Universal Music comes to you and asks in consideration whether to print another CD or another album and asks for can I get some documentation about revenue, what kind of documents do they ask for? What kind of parameters do they ask for?

MR. SLOTNICK: Objection. Calls for speculation. Hypothetical.

But if you can answer, go ahead.

A. They might ask us for all sales related to an artist for album 1 and 2.

C. Frilot

A. Not for financial information, no.

Q. So the second item that you mentioned was manufacturing costs?

A. Yes.

Q. Can you elaborate a little bit on how those are calculated?

A. That would be outside of my responsibilities, so...

Q. How about royalties, you mentioned that as one of the factors that go into figuring out how much profits are made. Can you discuss a little bit about how royalties are calculated?

A. Royalties are calculated based on the contractual terms in the agreement for the artist. So if they're sales based, typically they need the units and the royalties due to the artist, the royalty rate less any deductions that are allowed under the contract.

Q. Is there any specific paperwork that's generated when calculating royalties? You mentioned the contract.

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<p>1 C. Frilot 2 That's a given. 3 Any other? 4 A. There's royalty statements. 5 Q. Can you describe what a royalty 6 statement is and how often it is issued? 7 A. It depends on each contract, the 8 frequency of the reporting obligation. 9 Q. And the obligation belongs to 10 Universal? 11 A. It may or may not, depending 12 upon the contract. 13 Q. In case of this particular 14 artist, B.B. King, are you at all familiar 15 with what his royalty statement obligation 16 was? 17 A. I did not review B.B. King's 18 artist agreement. 19 Q. So you wouldn't be able to tell 20 us about the royalties owed to B.B. King 21 or B.B. King's estate? 22 A. Not specific. 23 Q. You mentioned recording costs. 24 How's that calculated? 25 A. For in terms of a royalty</p>	<p>1 C. Frilot 2 objective of, I guess, the calculation. 3 So if we're talking about whether or not, 4 in the example we used earlier, whether or 5 not an album was profitable, management 6 might decide that a percentage of overhead 7 must be attributable to the calculation of 8 whether or not something was attributable 9 or profitable. 10 Q. Can you elaborate on that you 11 said depending on the objective of what 12 we're calculating? 13 A. Correct. You said in an earlier 14 question how did one calculate whether or 15 not an album is profitable? 16 Q. Yes. So basically -- let's take 17 that question, for example. How did they 18 decide that something is making money 19 versus losing money? Are you saying that 20 the overhead costs might either appear or 21 not appear depending on the objective of 22 making something seem profitable or not 23 profitable? 24 MR. SLOTNICK: Objection as to 25 the characteristic, but you can</p>
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<p>1 C. Frilot 2 participant or in terms of royalty costs 3 associated with an album? 4 Q. Royalty costs associated with 5 making an album. 6 A. What was your question again? 7 Sorry. 8 Q. Just how are those costs 9 calculated, the recording costs? 10 A. All costs associated with paying 11 third parties or any type of advances due 12 under a contractual language. 13 Q. Any paperwork generated as a 14 result of those calculations? 15 A. They are captured on the royalty 16 statements, if they're recoupable. 17 Q. So if Universal can, according 18 to the contract with the artist, recoup 19 the costs of the -- the recording costs, 20 then it would appear on the royalty 21 statements as a deduction or something? 22 A. Correct. 23 Q. You mentioned overhead costs. 24 How are those calculated? 25 A. It depends on, I guess, the</p>	<p>1 C. Frilot 2 answer. 3 A. It depends. So we all know 4 there is overhead costs associated with 5 running a business. So if someone has -- 6 a major superstar has sold so much money 7 that it doesn't even matter whether or not 8 we attributable to any overhead costs. 9 They might know we are going to 10 pick up this artist for the next or offer 11 another option because we know that the 12 artist is that hugely profitable. 13 Q. Right. 14 So it's kind of like investment 15 and kind of thinking that this guy is so 16 great he's going to make us a lot of 17 money, it doesn't really matter -- we're 18 not going to calculate overhead the same 19 way we would calculate it somewhere else? 20 MR. SLOTNICK: Objection to the 21 characterization. 22 You can answer. 23 A. Correct. 24 Q. Is that just true of the 25 overhead, because you mentioned that</p>

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<p>1 C. Frilot</p> <p>2 before depending on the objective of</p> <p>3 whoever is asking for the analysis, you</p> <p>4 know, you mentioned that a couple of times</p> <p>5 depending on the objective, and I</p> <p>6 understand that.</p> <p>7 But can you clarify what it</p> <p>8 means to sort of assess the revenue or</p> <p>9 assess the royalties or manufacturing</p> <p>10 costs or recording costs in light of the</p> <p>11 objective before you?</p> <p>12 MR. SLOTNICK: Objection as to</p> <p>13 form.</p> <p>14 You can answer.</p> <p>15 A. Yes. If they're trying to</p> <p>16 determine whether or not to pick up a</p> <p>17 contractual obligation, if you have a</p> <p>18 major superstar, you don't need to</p> <p>19 necessarily calculate all those other</p> <p>20 costs.</p> <p>21 You just need to know the</p> <p>22 general revenue and the royalty expense</p> <p>23 and one can make a qualified decision</p> <p>24 based on that margin you've already seen,</p> <p>25 whether or not you have to calculate</p>	<p>1 C. Frilot</p> <p>2 Q. So they want to know what money</p> <p>3 they made?</p> <p>4 A. Correct.</p> <p>5 Q. Presuming they made the money?</p> <p>6 A. Yes.</p> <p>7 Q. How do you calculate profits and</p> <p>8 revenue -- I should separate that. Strike</p> <p>9 that.</p> <p>10 How do you calculate profits</p> <p>11 from CDs that came out under different</p> <p>12 labels that were later acquired by</p> <p>13 Universal?</p> <p>14 MR. SLOTNICK: Objection as to</p> <p>15 form.</p> <p>16 Go ahead, answer.</p> <p>17 A. Typically we don't provide</p> <p>18 historical data if it predates our</p> <p>19 systems.</p> <p>20 Q. You said predates your systems.</p> <p>21 When did your systems come into existence?</p> <p>22 A. It depends on what system we're</p> <p>23 talking about, so they vary.</p> <p>24 Q. Can you give an example -- the</p> <p>25 system that you just described where</p>
Page 35	Page 37
<p>1 C. Frilot</p> <p>2 whether or not it's profitable.</p> <p>3 Q. But with an artist less</p> <p>4 profitable, not like a major superstar who</p> <p>5 is just selling out stadiums, but with a</p> <p>6 lesser artist, all of these things become</p> <p>7 more important, all of these elements that</p> <p>8 you've listed, correct?</p> <p>9 A. Correct.</p> <p>10 Q. So just to go over it briefly,</p> <p>11 someone will come to you and ask for a</p> <p>12 specific projection -- is it a projection</p> <p>13 of profit or is it, just give me -- what</p> <p>14 did we make the revenue, what did it cost</p> <p>15 us through manufacturing, what were the</p> <p>16 recording costs, will they give you that</p> <p>17 or they will just come in and say I need</p> <p>18 to know whether they made money from X and</p> <p>19 you provide the rest?</p> <p>20 MR. SLOTNICK: Objection as to</p> <p>21 form, but you can answer.</p> <p>22 A. Typically, questions that come</p> <p>23 to my department, it's for actual costs.</p> <p>24 Q. And what are actual costs?</p> <p>25 A. Not a projection.</p>	<p>1 C. Frilot</p> <p>2 you're in putting information and getting</p> <p>3 an output, when did that come about, when</p> <p>4 did that system come about?</p> <p>5 A. Approximately 2002.</p> <p>6 Q. So everything after 2002 would</p> <p>7 be tracked by this system?</p> <p>8 A. It depends.</p> <p>9 Q. And what does it depend on?</p> <p>10 A. We acquire companies post-2002,</p> <p>11 that would not be in our systems. Also,</p> <p>12 the system I'm talking about was the</p> <p>13 domestic system and we set a different</p> <p>14 date for our foreign systems.</p> <p>15 Q. Can you elaborate on that? You</p> <p>16 said everything post-2002 would not be in</p> <p>17 the system?</p> <p>18 A. No there are acquisitions that</p> <p>19 are post-2002 that would not be in our</p> <p>20 systems.</p> <p>21 Q. What would be the reason that a</p> <p>22 post-2002 acquisition would not be in the</p> <p>23 system?</p> <p>24 A. The example would be the</p> <p>25 acquired EMI in approximately 2015. So</p>

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<p>1 C. Frilot</p> <p>2 their historical data would not be in our</p> <p>3 systems.</p> <p>4 Q. But their historical data --</p> <p>5 it's not historical, but after 2015, their</p> <p>6 information would be in your system,</p> <p>7 correct?</p> <p>8 A. Correct. Approximately. I</p> <p>9 don't recall the actual date of the</p> <p>10 acquisition.</p> <p>11 Q. And the 2002 date you've</p> <p>12 mentioned, is that the domestic system or</p> <p>13 the foreign system?</p> <p>14 A. Domestic.</p> <p>15 Q. When did the foreign system come</p> <p>16 into being?</p> <p>17 A. I don't recall.</p> <p>18 Q. Do you know anything about the</p> <p>19 foreign profits or revenue? Do you work</p> <p>20 with foreign profits or revenue?</p> <p>21 A. Yes.</p> <p>22 Q. So when you calculate all of</p> <p>23 this, it's not just U.S. based, it's</p> <p>24 worldwide, correct?</p> <p>25 A. It depends on the objective of</p>	<p>1 C. Frilot</p> <p>2 let's say, you know, in the '70s or so,</p> <p>3 how would revenue be reported? Would it</p> <p>4 just be the same as other revenues</p> <p>5 reported for Universal, is there no</p> <p>6 difference, is there no different system</p> <p>7 or different subsystem that it's under?</p> <p>8 A. No, that would be very difficult</p> <p>9 to obtain.</p> <p>10 Q. And why is that?</p> <p>11 A. It would be impossible because a</p> <p>12 lot of the systems have been retired and</p> <p>13 are no longer able to query.</p> <p>14 Q. What kind of systems used to</p> <p>15 exist that you're aware of that used to</p> <p>16 track the profits of those labels that</p> <p>17 were later taken over by Universal?</p> <p>18 A. There are many different system,</p> <p>19 but we had different accounting systems</p> <p>20 back then, different royalty systems.</p> <p>21 Q. In getting familiar with the</p> <p>22 facts surrounding this case and your</p> <p>23 preparations for today, did you have a</p> <p>24 chance to review what other labels that</p> <p>25 Universal later acquired were involved in</p>
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<p>1 C. Frilot</p> <p>2 the analysis that we're doing.</p> <p>3 Q. Are there other systems that</p> <p>4 came around at a different time besides</p> <p>5 from 2002?</p> <p>6 A. Yes.</p> <p>7 Q. Can you elaborate on what's the</p> <p>8 system and when it came into being?</p> <p>9 A. One system has a different date.</p> <p>10 I just don't recall the date.</p> <p>11 Q. So whatever that date is it</p> <p>12 would be all the foreign profits and</p> <p>13 revenues and sales would be tracked, not</p> <p>14 in the U.S. but worldwide, and that data</p> <p>15 would be available from a different date,</p> <p>16 not 2002?</p> <p>17 A. Correct. The revenues would be</p> <p>18 consolidated in a different system.</p> <p>19 Q. And what about labels acquired</p> <p>20 before 2002, would profits be reported in</p> <p>21 this particular system if the label was</p> <p>22 acquired earlier?</p> <p>23 A. No. The system doesn't have the</p> <p>24 profits. It has revenues.</p> <p>25 Q. If Universal acquired a label,</p>	<p>1 C. Frilot</p> <p>2 this particular case?</p> <p>3 A. I did have discussions with our</p> <p>4 attorney.</p> <p>5 Q. Can you provide any information</p> <p>6 about the specifics of Universal's</p> <p>7 acquisition of, let's say, ABC Records?</p> <p>8 MR. SLOTNICK: I'm going to</p> <p>9 caution the witness that you can</p> <p>10 answer the question except to the</p> <p>11 extent that any information you have</p> <p>12 based on advice or communication with</p> <p>13 counsel is privileged, and I'm going</p> <p>14 to direct you not to answer with</p> <p>15 respect to any communications with</p> <p>16 your counsel.</p> <p>17 But other than that, anything</p> <p>18 else you know, you can answer.</p> <p>19 A. I only know that B.B. King was</p> <p>20 part of the ABC catalogue.</p> <p>21 Q. So basically your specific</p> <p>22 knowledge, the things that are relevant to</p> <p>23 this case when it comes to the ABC being</p> <p>24 bought over by Universal, is that that</p> <p>25 B.B. King was part of the catalogue, you</p>

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<p>1 C. Frilot</p> <p>2 don't know anything more about the terms</p> <p>3 of that transaction, as far as the</p> <p>4 acquisition about how to track how much</p> <p>5 money albums released by ABC records made?</p> <p>6 A. That's correct.</p> <p>7 Q. What about any of the other</p> <p>8 labels that are involved in this</p> <p>9 particular case, are you familiar with any</p> <p>10 other labels that Universal later</p> <p>11 acquired?</p> <p>12 MR. SLOTNICK: Objection as to</p> <p>13 the characterization, but you can</p> <p>14 answer.</p> <p>15 A. I only know that ABC was</p> <p>16 acquired by, I believe, MCA.</p> <p>17 Q. Do you know when ABC records was</p> <p>18 acquired by MCA?</p> <p>19 A. I do not know.</p> <p>20 Q. Is there a way to track earnings</p> <p>21 from MCA in the current Universal system</p> <p>22 after the transition happened?</p> <p>23 A. No, no, I don't think so.</p> <p>24 Q. When did Universal sort of</p> <p>25 become Universal from MCA, are you aware?</p>	<p>1 C. Frilot</p> <p>2 follows:)</p> <p>3 Q. So we're looking right now at</p> <p>4 Plaintiff's Exhibit 1, which is UMG's</p> <p>5 initial disclosures. If you see that,</p> <p>6 I'll let you find -- they're initial</p> <p>7 disclosures. They are the defendants'</p> <p>8 responses and objections to document</p> <p>9 requests and then defendants' responses</p> <p>10 and objections to the interrogatories.</p> <p>11 A. Do you know roughly where it is</p> <p>12 in this stack, in the middle or --</p> <p>13 MR. SLOTNICK: Caroline, I don't</p> <p>14 know if you can see this well, but</p> <p>15 it's going to look like this.</p> <p>16 BY MS. TSYVKIN:</p> <p>17 Q. They look like legal papers with</p> <p>18 a caption on them.</p> <p>19 A. Does it have a Bates stamp on</p> <p>20 it?</p> <p>21 MR. SLOTNICK: No, it doesn't.</p> <p>22 A. I think I might have found it.</p> <p>23 What does it look like?</p> <p>24 (Indicating.)</p> <p>25 MS. MILLER: Why don't you read</p>
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<p>1 C. Frilot</p> <p>2 A. I don't recall the date of the</p> <p>3 name change.</p> <p>4 MS. TSYVKIN: Mark this</p> <p>5 Plaintiff's Exhibit 1.</p> <p>6 (Plaintiff's Exhibit 1, Initial</p> <p>7 disclosures, marked for</p> <p>8 identification, as of this date.)</p> <p>9 MS. TSYVKIN: This is the batch</p> <p>10 with the initial disclosures.</p> <p>11 MS. MILLER: I think we will</p> <p>12 have to take a break so --</p> <p>13 MS. TSYVKIN: We're going to</p> <p>14 take a break and send you some</p> <p>15 documents.</p> <p>16 THE WITNESS: Okay.</p> <p>17 MR. SLOTNICK: You should have</p> <p>18 them.</p> <p>19 MS. MILLER: Did you see them?</p> <p>20 Did they come through? We will take a</p> <p>21 break and you can print them.</p> <p>22 MS. TSYVKIN: Let's take a</p> <p>23 little break.</p> <p>24 (Thereupon, a recess was taken,</p> <p>25 and then the proceedings continued as</p>	<p>1 C. Frilot</p> <p>2 off what you're looking at, the first</p> <p>3 line?</p> <p>4 THE WITNESS: Is this where it</p> <p>5 says "General objections"? Can you</p> <p>6 see mine?</p> <p>7 MS. MILLER: And what does the</p> <p>8 heading in bold say about one-third of</p> <p>9 the down the page?</p> <p>10 THE WITNESS: Defendant UMG</p> <p>11 Recording's Responses and Objections</p> <p>12 to Plaintiff Glen Craig --</p> <p>13 MS. MILLER: That's correct. Do</p> <p>14 you see there are page numbers on the</p> <p>15 bottom of that one document, and it</p> <p>16 looks like it goes through page 9 and</p> <p>17 then another document --</p> <p>18 MR. SLOTNICK: On this one, it's</p> <p>19 page 10. On the document, it's page</p> <p>20 10. On the interrogatories, it's page</p> <p>21 9.</p> <p>22 BY MS. TSYVKIN:</p> <p>23 Q. They should all be there, sort</p> <p>24 of together. If you're in the area where</p> <p>25 it is, that's where we are.</p>

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<p>1 C. Frilot</p> <p>2 A. There's one that goes through</p> <p>3 11.</p> <p>4 Q. Yes.</p> <p>5 A. And the second one goes</p> <p>6 through --</p> <p>7 Q. Yes.</p> <p>8 A. Nine.</p> <p>9 Q. Yes. That's correct.</p> <p>10 MS. MILLER: That's it.</p> <p>11 THE WITNESS: Okay.</p> <p>12 BY MS. TSYVKIN:</p> <p>13 Q. Do you have on top of that the</p> <p>14 initial disclosures, something that says</p> <p>15 initial disclosures, it would be right on</p> <p>16 top of that?</p> <p>17 MS. MILLER: It's the document</p> <p>18 that's 11 pages, Caroline. The</p> <p>19 beginning on the very first page, it</p> <p>20 should say, "UMG Recordings Inc.'s</p> <p>21 Initial Disclosures Pursuant to Fed.</p> <p>22 R. CIV. P.26(1)(A)."</p> <p>23 A. Yes, I have that.</p> <p>24 Q. Thanks for finding that. So</p> <p>25 we're going to look at Plaintiff's Exhibit</p>	<p>1 C. Frilot</p> <p>2 have knowledge or you have information</p> <p>3 regarding UMG's exploitation of these</p> <p>4 three photographs that are involved in</p> <p>5 this case?</p> <p>6 A. I had initial discussions with</p> <p>7 my attorneys.</p> <p>8 Q. Would you be able to tell me an</p> <p>9 exhaustive list of all those</p> <p>10 exploitations?</p> <p>11 A. No.</p> <p>12 Q. Can you look at the small (iv)</p> <p>13 where it says:</p> <p>14 "The non-infringing nature of</p> <p>15 the UMG exploitation."</p> <p>16 Do you see that?</p> <p>17 A. Yes.</p> <p>18 Q. Is there anything you can tell</p> <p>19 me about the non-infringing nature of</p> <p>20 UMG's exploitation?</p> <p>21 A. No.</p> <p>22 Q. Okay. Let's move on to the</p> <p>23 document in that packet that's just a</p> <p>24 little bit behind that that says,</p> <p>25 "Defendant UMG Recordings responses and</p>
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<p>1 C. Frilot</p> <p>2 1, which is in front of you.</p> <p>3 Have you seen this document</p> <p>4 before?</p> <p>5 A. No.</p> <p>6 Q. Now, just to sort of inform you,</p> <p>7 these are the initial disclosures of</p> <p>8 Universal Music -- of UMG rather, as far</p> <p>9 as what we can expect from their corporate</p> <p>10 witness.</p> <p>11 Can you turn to page 2 of the</p> <p>12 document that says, "UMG Recordings</p> <p>13 Initial Disclosures."</p> <p>14 And on the second page, where it</p> <p>15 says B, do you see that, where it says</p> <p>16 "Corporate representative"?</p> <p>17 A. Yes.</p> <p>18 Q. So can you sort of briefly look</p> <p>19 at where it says:</p> <p>20 "(i) UMG's exploitation of</p> <p>21 products bearing the King's photographs,"</p> <p>22 and in parenthesis, "UMG exploitation."</p> <p>23 Do you see that?</p> <p>24 A. Yes.</p> <p>25 Q. So can you tell me whether you</p>	<p>1 C. Frilot</p> <p>2 objections to plaintiff Glen Craig's first</p> <p>3 set of interrogatories."</p> <p>4 It would be the document that</p> <p>5 would be nine pages, if that would help</p> <p>6 you. So this is still Plaintiff's Exhibit</p> <p>7 1.</p> <p>8 A. Okay.</p> <p>9 Q. Can you go to Interrogatory No.</p> <p>10 6, which starts on page 7, so if you go to</p> <p>11 page 7, and we go to the paragraph that</p> <p>12 under Interrogatory No. 6 that says:</p> <p>13 "Subject to and without waiving</p> <p>14 the foregoing general and specific</p> <p>15 objections, UMG states that a corporate</p> <p>16 representative of UMG likely has knowledge</p> <p>17 or information concerning UMG's licensing</p> <p>18 of photographs for the cover of the Riley</p> <p>19 B. King albums."</p> <p>20 Do you see where it says that on</p> <p>21 page 7 under interrogatory 6? Take your</p> <p>22 time.</p> <p>23 A. Okay. Found it.</p> <p>24 Q. So now that you found it, can</p> <p>25 you tell me anything about UMG's licensing</p>

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<p>1 C. Frilot</p> <p>2 of the photographs that appeared on the</p> <p>3 album covers of Riley B. King?</p> <p>4 A. No.</p> <p>5 Q. Can we go to the last page, page</p> <p>6 9 of the interrogatories, it's</p> <p>7 Interrogatory No. 10, and you see the</p> <p>8 chart there, where it says UMG in the</p> <p>9 chart, if you go right under documents and</p> <p>10 evidence, it says, "Licenses for</p> <p>11 photographs appearing on Riley B. King</p> <p>12 album covers."</p> <p>13 Do you see that?</p> <p>14 A. Yes.</p> <p>15 Q. Are you aware of any licenses</p> <p>16 for album covers for Mr. King?</p> <p>17 A. No, I am not.</p> <p>18 Q. If we go to page 5 of that same</p> <p>19 document under Interrogatory No. 2, and</p> <p>20 you go to part B, it says:</p> <p>21 "Corporate representative of UMG</p> <p>22 likely has knowledge or information</p> <p>23 concerning how UMG came into possession of</p> <p>24 photographs."</p> <p>25 Do you see that?</p>	<p>1 C. Frilot</p> <p>2 you to report on revenue coming from</p> <p>3 abroad, you would just go and look it up</p> <p>4 in the SAP, as you say?</p> <p>5 MR. SLOTNICK: Objection as to</p> <p>6 form.</p> <p>7 You can answer.</p> <p>8 A. Yes.</p> <p>9 Q. And what kind of breakdowns</p> <p>10 would SAP give you? What kind of</p> <p>11 categories?</p> <p>12 A. Currently, we record revenues</p> <p>13 down to the product level.</p> <p>14 Q. So someone would have to come in</p> <p>15 with the name of the product, would you</p> <p>16 put it in and out would come how much</p> <p>17 money it's made worldwide, correct?</p> <p>18 A. Not that simple.</p> <p>19 Q. Okay. Can you tell me how it</p> <p>20 actually works?</p> <p>21 A. Revenues and royalty expenses is</p> <p>22 recorded at the product level. Recording</p> <p>23 cost are not necessarily recorded at a</p> <p>24 product level. It might be at a project</p> <p>25 level. Overhead is not calculated at a</p>
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<p>1 C. Frilot</p> <p>2 A. Yes.</p> <p>3 Q. Do you have any knowledge or</p> <p>4 information concerning how UMG came into</p> <p>5 the possession of the photographs?</p> <p>6 A. No.</p> <p>7 Q. Let's go back to our</p> <p>8 conversation about how UMG reports and</p> <p>9 keeps track of profits and revenue.</p> <p>10 Can you tell me how UMG keeps</p> <p>11 track of revenue that he comes from</p> <p>12 abroad?</p> <p>13 A. We record expenses into our</p> <p>14 general ledger, as well as loading</p> <p>15 activity into our royalty systems to pay</p> <p>16 participants.</p> <p>17 Q. What is that ledger?</p> <p>18 A. SAP.</p> <p>19 Q. What is that exactly, can you</p> <p>20 elaborate?</p> <p>21 A. It's an accounting system</p> <p>22 software that's used by Universal to</p> <p>23 record revenues, expenses, profits.</p> <p>24 Q. Would this ledger be easily</p> <p>25 available to you when -- when someone asks</p>	<p>1 C. Frilot</p> <p>2 product level. Historical information is</p> <p>3 not at a product level.</p> <p>4 Q. Is that different from the</p> <p>5 system that we discussed earlier today</p> <p>6 when you were --</p> <p>7 A. Yes, we were talking about the</p> <p>8 revenue data warehouse. SAP is a</p> <p>9 different system.</p> <p>10 Q. Is the SAP system only for</p> <p>11 foreign entities that are reporting</p> <p>12 earnings back to UMG?</p> <p>13 A. No. SAP is used by many</p> <p>14 territories within the U.S. within</p> <p>15 Universal SAP is an accounting software,</p> <p>16 so it reports accounting information, not</p> <p>17 just revenues.</p> <p>18 Q. So it's a more comprehensive</p> <p>19 system, you would say?</p> <p>20 A. Correct.</p> <p>21 Q. If a product is sold abroad, say</p> <p>22 in Germany or Australia, for UMG, how</p> <p>23 would that -- would that be reflected only</p> <p>24 in the SAP system or would that also be</p> <p>25 reflected in the system that we discussed</p>

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1 C. Frilot
2 earlier in the day?

3 MR. SLOTNICK: Objection to the
4 characterization, the hypothetical,
5 and assumes facts not in evidence.

6 If you can answer it, go ahead.

7 BY MS. TSYVKIN:

8 A. Revenues would be available in
9 our foreign sales systems, and if the
10 revenue was related to a product that was
11 already in U.S. territory, it would be
12 reported into and recorded in our general
13 ledger system as well in the U.S.

14 Q. So is the SAP the only system
15 that records foreign territory revenue?

16 A. No, not all territories are on
17 SAP. There are some smaller territories
18 that are on different accounting software
19 packages because SAP is cost prohibitive
20 for that particular territory.

21 Q. Do you know if any of those
22 other territories that are not under
23 SAP --

24 A. Not that I can recall right now.

25 Q. So you don't know which

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1 C. Frilot
2 entered into our system from the company
3 we acquired.

4 Q. So what kind of information do
5 you usually obtain from a company when you
6 acquire it as far as profits and revenues
7 are concerned?

8 A. Well, typically we obtain
9 balance sheet information which is not
10 necessarily revenue and profit
11 information.

12 Q. Where is that information kept?

13 A. The opening balances or their
14 ending balances would be loaded as opening
15 balances into our system including SAP.

16 Q. You said including SAP, where
17 else would they be uploaded?

18 A. Artist's balances, their ending
19 balances would be loaded into our artist
20 system, our royalty system, copyright as
21 well.

22 Q. And by "copyright" as well, you
23 mean sort of any existing agreements or
24 contracts?

25 A. Balances. So if an artist had

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1 C. Frilot
2 territories use SAP and which do not?

3 A. Not off the top of my head.

4 Q. Can you explain a little bit
5 about how SAP calculates profits and
6 revenue from abroad?

7 A. SAP is a repository that record
8 -- SAP is a repository where it collects
9 information for the U.S. financial
10 information, I should say. Revenues are
11 recorded in SAP and expenses are also
12 recorded in SAP.

13 Q. When UMG acquires a label and
14 that label has certain amount of CDs out
15 or already, has already published a CD or
16 a record or an album, what have you, and
17 then UMG acquires that label, how does the
18 accounting for the profits from before the
19 acquisition, how is that reflected to
20 after the acquisition, how does the
21 transition happen if you know?

22 MR. SLOTNICK: Objection as to
23 the compound question.

24 But if you can answer, go ahead.

25 A. Generally opening balances are

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1 C. Frilot
2 an ending unrecouped balance, that ending
3 balance, that would be our opening
4 balance.

5 Q. In a specific area of copyright,
6 can you give an example of that, like what
7 would that be?

8 A. So for copyright, an advance
9 could have been given to a publisher and
10 that unrecouped balance would have to be
11 our opening balance for that particular
12 song or publisher.

13 Q. How many other offices do you
14 have around the world?

15 A. I don't know the total number of
16 offices around the world.

17 Q. Approximately?

18 A. I do not know.

19 Q. Does UMG calculate profits
20 regardless of the territories when it
21 decides whether an album is profitable or
22 not, if you know?

23 A. It depends.

24 Q. It depends on what?

25 A. If the U.S. sales and expenses

15 (Pages 54 to 57)

CONTAINS HIGHLY CONFIDENTIAL PORTIONS

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Page 60

1 C. Frilot
2 are enough to make a qualified decision
3 they don't necessarily need the foreign
4 sales.

5 Q. So similar to what with you
6 explained before, that if an artist is so
7 big they don't need to calculate foreign
8 sales to make a decision, they will just
9 go with like a big star, just based on
10 domestic numbers alone, right?

11 A. That's correct.

12 Q. But the other offices, the other
13 offices around the world, they don't --
14 how independent are they?

15 MR. SLOTNICK: Objection. Calls
16 for a legal conclusion.

17 If you know, you can answer.

18 A. They're independent in terms of
19 they can sign their own artist locally.

20 Q. Do they report back to UMG in
21 the U.S.?

22 A. Not for local repertoire.

23 Q. For profits?

24 A. Not for local repertoire.

25 Q. But for artists that are not

1 C. Frilot
2 graphics, so which page are we looking?

3 Q. The first page of that exhibit.

4 It's UMG 1781.

5 A. Okay. Okay.

6 Q. So I think you've had a moment
7 to just take a look at Plaintiff's Exhibit
8 2. Can you tell me what we're looking at?

9 A. This was not prepared by my
10 group.

11 Q. Okay. Does this look familiar?

12 A. I glanced at it.

13 Q. Okay. Can you tell me anything
14 about what this document says?

15 A. Sure. It says label, account,
16 cost element, UPC, exploitation, product
17 type, fiscal year, 2014, 2015, 2016.

18 Q. Thank you.

19 I meant what is this a record
20 of, in other words?

21 A. It looks like it contains
22 multiple items on here. It has revenues.
23 It has company income. Manufacture
24 charges. Purchase price. Distribution
25 charges.

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1 C. Frilot
2 local, the profits does get reported back
3 to UMG, correct?

4 A. If it's a U.S.-owned repertoire,
5 is gets reported to the U.S.

6 Q. So an accounting of profits from
7 an artist that's U.S. based, an artist
8 that's not a local artist to one of your
9 global offices, but a U.S.-based artist,
10 an accounting of profits that he or she
11 generates would be reported back to UMG in
12 the U.S.?

13 MR. SLOTNICK: Objection to the
14 characterization.

15 A. That's correct.

16 MS. TSYVKIN: Let's mark

17 Plaintiff's Exhibit 2.

18 (Plaintiff's Exhibit 2,

19 Document, marked for identification,
20 as of this date.)

21 BY MS. TSYVKIN:

22 Q. Do you see it? I'm introducing
23 Plaintiff's Exhibit 2, and what are we
24 looking at?

25 A. There's multiple pages with

1 C. Frilot

2 Q. Who would prepare such a
3 document, if it's not your team? Do you
4 know who?

5 A. It would be central accounting
6 services.

7 Q. What would be the purpose of
8 such a document?

9 A. It must have been responding to
10 a request for information.

11 Q. So someone inquired as to
12 something, and central accounting services
13 entered that information into some system,
14 if you know, and this is what came out,
15 correct?

16 A. It appears so.

17 Q. You have no knowledge about the
18 creation of this document, correct?

19 A. What do you mean by "no
20 knowledge"?

21 Q. You don't know whether this is
22 an exhaustive list of exploitations of any
23 particular album?

24 A. That's correct, I do not know.

25 Q. You don't know how it was

16 (Pages 58 to 61)

CONTAINS HIGHLY CONFIDENTIAL PORTIONS

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1 C. Frilot
 2 created, this list?
 3 A. No.
 4 Q. You don't know the parameters
 5 that were given to the people searching
 6 for this stuff?
 7 A. No.
 8 Q. If you go to the back it's the
 9 second-to-last page, UMG 1780, where it
 10 says BB manufacturing costs, is that more
 11 familiar to you, this sheet, or is it --
 12 A. No.
 13 Q. So when you were saying you
 14 don't really know about this document,
 15 were you saying -- in total -- this sheet
 16 doesn't look like the other sheets that's
 17 why I'm asking if there's any kind of a
 18 difference?
 19 A. That would not have been
 20 prepared by my group.
 21 Q. And you presume it was prepared
 22 by central accounting services?
 23 A. That's correct.
 24 Q. Pursuant to whatever categories
 25 were given to them?

Page 63

1 C. Frilot
 2 A. That's correct.
 3 MS. TSYVKIN: I'm going to
 4 introduce Plaintiff's Exhibit 3. It
 5 will be the Complaint.
 6 (Plaintiff's Exhibit 3,
 7 Complaint, marked for identification,
 8 as of this date.)
 9 BY MS. TSYVKIN:
 10 Q. So Plaintiff's Exhibit 3 is
 11 called the Complaint. Have you found that
 12 document? It looks like legal -- they all
 13 look like legal documents, I suppose, but
 14 just something with a caption that says
 15 Complaint.
 16 A. Okay.
 17 Q. If we could turn to the
 18 pagination on top there, if we could turn
 19 to page 3 of 15, this is Plaintiff's
 20 Exhibit 3, and go to number 13.
 21 A. Okay.
 22 Q. So number 13 discusses that
 23 around 2012, Universal published a 10CD
 24 box set entitled Ladies and Gentlemen
 25 Mr. B.B. King and released it under their

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1 C. Frilot
 2 UMG/Amazon.com label.
 3 Do you see that?
 4 A. Okay. Yes.
 5 Q. Do you have any specific
 6 knowledge or knowledge about how much
 7 money this particular release made for
 8 Universal?
 9 MR. SLOTNICK: Objection to the
 10 form.
 11 THE WITNESS: Do I answer?
 12 MR. SLOTNICK: You can, yes.
 13 A. No.
 14 Q. And number 14:
 15 "In or around March 15, 2005,
 16 Universal published a disc entitled 'The
 17 Ultimate Collection' under the Geffen
 18 Records label with that particular UPC."
 19 Are you able to tell me how much
 20 money that album made?
 21 A. No.
 22 Q. Number 15 now, number 15:
 23 "In or around October 20, 1992,
 24 Universal published a 10CD Retrospective
 25 Box Set entitled Ladies and Gentlemen

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1 C. Frilot
 2 Mr. B.B. King, under its HIPO/Universal
 3 label."
 4 Are you familiar with how much
 5 money that made for Universal?
 6 A. No.
 7 Q. On that same date, October 20,
 8 '92, Universal published a 4CD Box Set
 9 entitled B.B. King King of the Blues under
 10 it's MCA records.
 11 Are you familiar with how much
 12 money that album made?
 13 A. No.
 14 Q. "In or around April 06, 1992,
 15 Universal published a CD entitled 'Why I
 16 Sing the Blues' under its MCA special
 17 products label."
 18 Are you familiar with how much
 19 money that release made for Universal?
 20 A. No.
 21 Q. Number 18:
 22 "Around June 5 of 2007,
 23 Universal published a CD entitled 'Why I
 24 Sing the Blues' under its MCA special
 25 products label."

17 (Pages 62 to 65)

CONTAINS HIGHLY CONFIDENTIAL PORTIONS

Page 66

1 C. Frilot
 2 Are you familiar with how much
 3 money that made Universal?
 4 A. No.
 5 Q. Number 19:
 6 "In or around March 19, 1992,
 7 Universal published a first release CD of
 8 an original recording entitled 'Best of
 9 B.B. King and Bobby Bland,' under its
 10 Geffen USA label."
 11 Are you familiar with how much
 12 money that made Universal?
 13 A. No.
 14 Q. Turning the page, number 20:
 15 "In or around May 19, '99,
 16 Universal published a disc entitled 'Live
 17 in Japan B.B. King' under its MCA records
 18 USA label."
 19 Are you familiar with how much
 20 money that made Universal?
 21 A. No.
 22 Q. "On October 9, 1992, Universal
 23 published a 4CD Box Set entitled 'Ladies
 24 and Gentlemen, Mr. B.B. King,' under its
 25 HIPO Universal USA label."

Page 67

1 C. Frilot
 2 Are you familiar with how much
 3 money that label made Universal?
 4 A. No.
 5 Q. "In or around November 6th of
 6 2015, Universal published a 2LP set
 7 entitled 'Ladies and Gentlemen, Mr. B.B.
 8 King,' under its Universal Music label."
 9 Are you familiar with how much
 10 money that made Universal?
 11 A. No.
 12 Q. "Around September 16th of 2015,
 13 Universal published a limited edition 4CD
 14 Box Set entitled 'Ladies and Gentlemen,
 15 Mr. B.B. King,' under its Universal Japan
 16 label."
 17 Are you familiar with how much
 18 money that made Universal?
 19 A. No.
 20 Q. "Around November 11, 2015,
 21 Universal published a 2LP set entitled
 22 'Ladies and Gentlemen, Mr. B.B. King,'
 23 under its Universal Japan label."
 24 Are you familiar with how much
 25 money that made Universal?

Page 68

1 C. Frilot
 2 A. No.
 3 Q. "Around August 19, 2014,
 4 Universal published a 2CD Box Set entitled
 5 'King of the Blues No Frills LP,' under
 6 its Universal Records U.K."
 7 Are you familiar with how much
 8 money that made Universal?
 9 A. No.
 10 Q. "Around September 16, 2015
 11 through September 25, 2015, Universal
 12 published a CD entitled 'B.B. King Live in
 13 Japan Limited Edition,' under its
 14 Universal records Japan label."
 15 Are you familiar with how much
 16 money that made Universal?
 17 A. No.
 18 Q. "Around 1992, Universal
 19 published a CD entitled 'B.B. King Live in
 20 Japan,' under its Universal Records Japan
 21 label."
 22 Are you familiar with how much
 23 money that made Universal?
 24 A. No.
 25 Q. "Around 1999, Universal

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1 C. Frilot
 2 published a CD entitled 'B.B. King Live in
 3 Japan,' under its Universal Records South
 4 Africa label."
 5 Are you familiar with how much
 6 money that made Universal?
 7 A. No.
 8 Q. "Around June 18, 2013, Universal
 9 published a 2CD set entitled, 'B.B. King
 10 Live in Japan,' under its Geffen label."
 11 Are you familiar with how much
 12 money that made Universal?
 13 A. No.
 14 Q. Around 1971, Universal published
 15 a 2LP set entitled 'B.B. King Live in
 16 Japan,' under its ABC Records Japan
 17 label."
 18 Are you familiar with how much
 19 money that made Universal?
 20 A. No.
 21 Q. "Around 1992, Universal
 22 published a CD entitled 'B.B. King Live in
 23 Japan,' under its Universal Victor label."
 24 Are you familiar with how much
 25 money that made Universal?

18 (Pages 66 to 69)

CONTAINS HIGHLY CONFIDENTIAL PORTIONS

Page 70	Page 72
<p>1 C. Frilot</p> <p>2 A. No.</p> <p>3 Q. "Around September 25, 2015,</p> <p>4 Universal published a CD entitled 'B.B.</p> <p>5 King Live in Japan,' under its Universal</p> <p>6 Records Japan label."</p> <p>7 Are you familiar with how much</p> <p>8 money that made Universal?</p> <p>9 A. No.</p> <p>10 Q. "In September 16, 2015,</p> <p>11 Universal published online a 4CD Box Set</p> <p>12 entitled 'Ladies and Gentlemen, Mr. B.B.</p> <p>13 King,' under its Universal Music Japan</p> <p>14 label."</p> <p>15 Are you familiar with how much</p> <p>16 money that made Universal?</p> <p>17 A. No.</p> <p>18 Q. "In September 24, 2012,</p> <p>19 Universal published a 10CD Box Set</p> <p>20 entitled 'Ladies and Gentlemen, Mr. B.B.</p> <p>21 King,' under its Universal Music France</p> <p>22 label."</p> <p>23 Are you familiar with how much</p> <p>24 money that made Universal?</p> <p>25 A. No.</p>	<p>1 C. Frilot</p> <p>2 Universal published a 2LP set entitled</p> <p>3 'Ladies and Gentlemen, Mr. B.B. King,'</p> <p>4 under its Universal Music France label."</p> <p>5 Are you familiar with how much</p> <p>6 money that release made Universal?</p> <p>7 A. No.</p> <p>8 Q. "Around November 6, 2015,</p> <p>9 Universal published a 2LP set entitled</p> <p>10 'Ladies and Gentlemen, Mr. B.B. King,'</p> <p>11 under its Geffen USA label."</p> <p>12 Are you familiar with how much</p> <p>13 money that made Universal?</p> <p>14 A. No.</p> <p>15 Q. "Around October 2nd of 2000,</p> <p>16 Universal published a 4CD Box Set entitled</p> <p>17 'B.B. King of the Blues Box Set,' under</p> <p>18 its MCA Distribution France import label."</p> <p>19 Are you familiar with how much</p> <p>20 money that made Universal?</p> <p>21 A. No.</p> <p>22 Q. "Around October 2nd of 2009,</p> <p>23 Universal published a CD entitled 'B.B.</p> <p>24 King Live in Japan Digital Reissue,' under</p> <p>25 its Universal Music Australia PTY LTD</p>
Page 71	Page 73
<p>1 C. Frilot</p> <p>2 Q. "On September 22, 2012,</p> <p>3 Universal published a 10CD Box Set</p> <p>4 entitled 'Ladies and Gentlemen, Mr. B.B.</p> <p>5 King,' under its Universal Music Germany</p> <p>6 label."</p> <p>7 Are you familiar with how much</p> <p>8 money that made Universal?</p> <p>9 A. No.</p> <p>10 Q. "September 24, 2012, Universal</p> <p>11 published a 4CD Box Set entitled 'Ladies</p> <p>12 and Gentlemen, Mr. B.B. King,' under its</p> <p>13 Universal Music France label."</p> <p>14 Are you familiar with how much</p> <p>15 money that made Universal?</p> <p>16 A. No.</p> <p>17 Q. "Around September 21, 2012,</p> <p>18 Universal published a 4 CD Box Set</p> <p>19 entitled 'Ladies and Gentlemen, Mr. B.B.</p> <p>20 King,' under its Universal Music Australia</p> <p>21 PTY LTD label."</p> <p>22 Are you familiar with how much</p> <p>23 money that made Universal?</p> <p>24 A. No.</p> <p>25 Q. "Around November 6th of 2015,</p>	<p>1 C. Frilot</p> <p>2 label."</p> <p>3 Are you familiar with how much</p> <p>4 money that made Universal?</p> <p>5 A. No.</p> <p>6 Q. "Around June 12, 2015, Universal</p> <p>7 published a CD entitled 'B.B. King Live in</p> <p>8 Japan,' under its Universal Music France</p> <p>9 label."</p> <p>10 Are you familiar with how much</p> <p>11 money that made Universal?</p> <p>12 A. No.</p> <p>13 Q. "Around June 12th of 2012,</p> <p>14 Universal published a CD entitled 'B.B.</p> <p>15 King Live in Japan' under its Geffen</p> <p>16 Records USA label."</p> <p>17 Are you familiar with how much</p> <p>18 money that made Universal?</p> <p>19 A. No.</p> <p>20 Q. "Around December 18, 2012,</p> <p>21 Universal published a CD entitled 'B.B.</p> <p>22 King Live in Japan Digital Re-Mastered,'</p> <p>23 under its Universal Records Japan label."</p> <p>24 Are you familiar with how much</p> <p>25 money that made Universal?</p>

19 (Pages 70 to 73)

CONTAINS HIGHLY CONFIDENTIAL PORTIONS

Page 74

1 C. Frilot
 2 A. No.
 3 Q. "Around May 5, 2012, Universal
 4 published a CD entitled 'B.B. King Live in
 5 Japan Digital-Re-Mastered,' under its
 6 Universal Records Germany label as a
 7 digital download."
 8 Are you familiar with how much
 9 money that made Universal?
 10 A. No.
 11 Q. "Around 2008, Universal
 12 published a CD entitled 'B.B. King Live in
 13 Japan Digital Re-Mastered,' under its
 14 Universal Music Japan label."
 15 Are you familiar with how much
 16 money that made Universal?
 17 A. No.
 18 Q. "Around September 16, 2015,
 19 Universal published a CD entitled 'B.B.
 20 King Live in Japan Digital Re-Mastered,'
 21 under its Universal Records Japan label."
 22 Are you familiar with how much
 23 money that made Universal?
 24 A. No.
 25 Q. "Around May 19 1999, Universal

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1 C. Frilot
 2 money that made Universal?
 3 A. No.
 4 Q. "March 18, 2013, Universal
 5 published a CD entitled 'Best of B.B. King
 6 and Bobby Bland,' under its Geffen Music
 7 Australia PTY LTD label."
 8 Are you familiar with how much
 9 money that made Universal?
 10 A. No.
 11 Q. "Around March 19th of 2013,
 12 Universal published a CD entitled 'Best of
 13 B.B. King and Bobby Bland,' under its
 14 Geffen Music Germany label."
 15 Are you familiar with how much
 16 money that made Universal?
 17 A. No.
 18 Q. "Around October 9, 2009,
 19 Universal published a CD entitled
 20 'Live/Fillmore East New York, New York,
 21 June 18, 1971, B.B. King,' under its
 22 Universal Music Australia PTY LTD label."
 23 Are you familiar with how much
 24 money that made Universal?
 25 A. No.

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1 C. Frilot
 2 published a CD entitled 'Live in Japan
 3 B.B. King,' under its MCA Records USA
 4 label."
 5 Are you familiar with how much
 6 money that made Universal?
 7 A. No.
 8 Q. "Around January 2nd of 2000,
 9 Universal published a CD entitled 'B.B.
 10 King Live in Japan Re-Mastered' under its
 11 MCA Records Universal Germany label."
 12 Are you familiar with how much
 13 money that made Universal?
 14 A. No.
 15 Q. "Around 1980, Universal
 16 published a 2LP set entitled 'B.B. King
 17 Live in Japan LP,' under its MCA Records
 18 Japan label."
 19 Are you familiar with how much
 20 money that made Universal?
 21 A. No.
 22 Q. "Around June 12, 2007, Universal
 23 published a CD 'Why I Sing the Blues'
 24 under its Universal Music Germany label."
 25 Are you familiar with how much

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1 C. Frilot
 2 Q. Last, but certainly not least:
 3 "Around October 13th of 2009,
 4 Universal published a CD 'Live/Fillmore
 5 East New York, New York, June 18, 1971
 6 B.B. King' under its Universal Music
 7 Germany label."
 8 Are you familiar with how much
 9 money that made Universal?
 10 A. No.
 11 MR. SLOTNICK: I'm going to
 12 object to the entire line of
 13 questioning and move that it be
 14 stricken on the basis that it calls
 15 for speculation.
 16 MS. TSYVKIN: Is this a speaking
 17 objection, counsel?
 18 MR. SLOTNICK: No. I'm making
 19 an objection. Would you like to hear
 20 the reasons, or I can just object and
 21 say I'm objecting, but I thought I
 22 would give you the courtesy of telling
 23 you that it calls for facts not in
 24 evidence, makes certain assumptions,
 25 certainly as to form, speculation, and

20 (Pages 74 to 77)

CONTAINS HIGHLY CONFIDENTIAL PORTIONS

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1 C. Frilot
2 a characterization of Universal and
3 the witness' familiarity of things
4 without showing her documents that
5 might actually lead to an answer. No
6 more speaking -- no more objections on
7 this.

8 MS. TSYVKIN: I would remind
9 counsel during the plaintiff's
10 deposition they enjoyed great leeway
11 as far as both having the absence of
12 speaking objections and great leeway
13 to elicit information that is relevant
14 for the purposes of this deposition.
15 I'm just reminding.

16 MR. SLOTNICK: Thank you. I
17 don't need a reminder. Trust me, I'm
18 showing abnormal restraint in my
19 objections. You can ask your
20 questions and she can answer the
21 questions as best she can based on the
22 questions.

23 BY MS. TSYVKIN:

24 Q. Do you need a break?

25 A. No. It's fine.

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1 C. Frilot

2 Q. I'm sorry. You were just on
3 your phone checking something.

4 A. Yes.

5 Q. So you are -- you can tell me
6 something about how much money the
7 exploitation of these photographs that are
8 involved in this lawsuit made, how much
9 money UMG made, right? You have
10 information pertaining to that, correct?

11 MR. SLOTNICK: Objection to the
12 characterization.

13 You can answer.

14 A. I do know how much revenues
15 were, I guess, were collected for a
16 specific time period.

17 Q. Okay. What is that time period?

18 A. 2014 through 2016 for the U.S.
19 sales. That was on one of the schedules.

20 Q. So you would not be able to tell
21 me anything about revenue prior to 2014
22 and revenue that's United States of the
23 U.S., correct?

24 MR. SLOTNICK: Objection. Calls
25 for a characterization.

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1 C. Frilot

2 You can answer.

3 A. Not for prior to 2014. And
4 there were -- I don't know if it was in
5 one of the schedules. There was some
6 foreign revenues that were collected in
7 the U.S. that I could talk about.

8 Q. Which four?

9 A. Foreign.

10 Q. In your preparation for this
11 deposition, what were you told -- not what
12 were you told, but what can you tell me as
13 far as the profits made by the relevant
14 records, meaning from 2014 to 2016 that
15 only pertain to US territories, what can
16 you tell me about those profits?

17 MR. SLOTNICK: Objection, calls
18 for a narrative.

19 You can answer.

20 A. We did not prepare a profit
21 analysis.

22 Q. Have you looked at numbers
23 pertaining to this case before?

24 A. Yes, we prepared revenues.

25 Q. But you didn't prepare anything

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1 C. Frilot

2 outside of the U.S., correct, that wasn't
3 part of your preparation?

4 MR. SLOTNICK: I'm going to
5 object and direct the witness not to
6 answer any question that may be the
7 result of instructions from counsel.
8 If you can answer without dealing with
9 the communication with an attorney,
10 then you can answer. If not, then you
11 can't answer.

12 A. We did collect information about
13 revenues pertaining to the B.B. King
14 albums outside the U.S. that was collected
15 in the U.S., the foreign revenues for the
16 albums related to this case.

17 MS. TSYVKIN: Can you read that
18 back?

19 (Record was read back by the
20 court reporter as follows:

21 "ANSWER: We did collect
22 information about revenues pertaining
23 to the B.B. King albums outside the
24 U.S. that was collected in the U.S.,
25 the foreign revenues for the albums

21 (Pages 78 to 81)

CONTAINS HIGHLY CONFIDENTIAL PORTIONS

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1 C. Frilot
 2 related to this case.")
 3 BY MS. TSYVKIN:
 4 Q. Can you elaborate on that? I'm
 5 not sure I understand. So these are
 6 foreign revenues?
 7 A. Yes. So for the albums that
 8 were sold outside the U.S.
 9 Q. So you did collect information
 10 about foreign revenues that was collected
 11 here?
 12 A. Yes.
 13 Q. Would there be foreign revenues
 14 that are not collected here that would not
 15 be reflected in your analysis?
 16 A. There could be.
 17 Q. Why would they not be part of
 18 the analysis that you made?
 19 MR. SLOTNICK: Again, I'm going
 20 to caution the witness regarding
 21 attorney-client communications.
 22 A. I don't recall seeing any
 23 licensing income. I think just collected
 24 physical and digital.
 25 Q. Can you explain that a little

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1 C. Frilot
 2 Q. What other examples of things
 3 that are not accounted in your analysis
 4 would be involved?
 5 A. That's what I could recall.
 6 Licensing.
 7 Q. You mentioned other things aside
 8 from licensing?
 9 A. Like TV and film. Like if there
 10 was a commercial that used one of the
 11 tracks off the album, those are all
 12 considered licensing income.
 13 Q. Anything aside from those
 14 licensing revenues that would not be
 15 accounted in this analysis?
 16 A. There could be others. I just
 17 don't recall, top of my head.
 18 Q. What are you looking at right
 19 now in front of you?
 20 A. It was your document UMG0001779.
 21 Q. Okay. Were you able to sort of
 22 familiarize yourself with that particular
 23 exhibit?
 24 A. Well, that document, that
 25 exhibit was one that was prepared by my

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1 C. Frilot
 2 bit? What do you mean by you don't
 3 remember seeing any licensing income?
 4 Just unpack that statement for us just so
 5 I understand for myself.
 6 A. It's possible there could have
 7 been special markets income related to
 8 these albums -- or masters included in the
 9 album.
 10 Q. What are special markets, what
 11 does that mean?
 12 A. If there was a track included in
 13 the album that might have been licensed to
 14 another label to include on another
 15 compilation.
 16 Q. So the analysis that you
 17 prepared for the relevant dates and
 18 territories, meaning 2014 to 2016 U.S.,
 19 would not have included what you referred
 20 to as special markets or something else,
 21 correct?
 22 A. Yes. It could have been a
 23 commercial or a TV or film where they
 24 might have licensed one of the songs off
 25 of the album.

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1 C. Frilot
 2 group.
 3 Q. Is it the one we were looking at
 4 earlier?
 5 A. No. Were you looking at 1780.
 6 Q. So can you specifically tell me
 7 what page in that testimony that you are
 8 looking at?
 9 A. It's the last page.
 10 Q. The very last page? Does it say
 11 1779? This is Plaintiff's Exhibit 2?
 12 A. Yes.
 13 Q. So 1779. So this looks familiar
 14 to you?
 15 A. Yes.
 16 Q. Because I believe earlier you
 17 said your group didn't compile the
 18 information in this exhibit. Do you want
 19 to correct that?
 20 A. You were asking about 1780 and
 21 the document right in front of it, 1781.
 22 Q. But the one that's 1779 of
 23 Plaintiff's Exhibit 2 that's familiar to
 24 you? Your group compiled this one page
 25 here?

22 (Pages 82 to 85)